

Opening Statement of Ranking Member Mark DeSaulnier (CA-10)

Subcommittee on Health, Employment, Labor, and Pensions

"Investing for the Future: Honoring ERISA's Promise to Participants"

Tuesday, July 22, 2025 | 10:15 a.m.

Thank you, Mr. Chairman— and thank you to all the witnesses for being here. I also want to welcome one of the witnesses, Mr. Banducci, for coming back to the Committee. I know he served for many years on the Republican Committee staff, so I'll be interested in knowing what it's like on the other side.

The Department of Labor's Employee Benefits Security Administration—or EBSA, for short—is a vital agency charged with protecting workers' hard-earned health and retirement benefits. EBSA oversees approximately 801,000 private retirement plans covering over 153 million people, 2.6 million health plans, and 514,000 other benefit plans. Many significant laws are within EBSA's jurisdiction, and several more have been added in recent years.

Yet, despite EBSA's critical mission and growing responsibilities, its funding and staffing have not kept pace. EBSA has been essentially flat-funded for years, and the Trump Administration's Fiscal Year 2026 budget only makes things worse by requesting \$10 million less than last year's level. The Administration is effectively proposing a further cut of \$20 million by failing to extend bipartisan *No Surprises Act* funding. Inadequate funding has resulted in steep declines in full-time employees at EBSA. We are incredibly fortunate to have Mr. Ali Khawar as one of our witnesses – welcome, Mr. Khawar – this morning. Mr. Khawar worked at EBSA in various capacities for nearly 20 years. His testimony details how EBSA's budget once supported over 960 employees, and how the Trump Administration's recent budget would support just 640.

Clearly, EBSA is being asked to do far more with much less – but it is still delivering for workers and their families, protecting their benefits, and putting money back in their pockets, and is a good return on investment to high-road employers and taxpayers. In fact, in Fiscal Year 2024, EBSA recovered almost \$1.4 billion in payments. At a time when federal workers are being unfairly targeted and fired by the Trump Administration, it is even more important to recognize the value they provide to American taxpayers and our constituents. Every day, Americans get assistance from EBSA's benefit advisors, who help workers navigate the complex issues with their plans. They – and all of EBSA's staff in DC and its regional and field offices – deserve our respect and appreciation during what I'm sure has been an incredibly challenging year for them and their families.

I understand that today's hearing will focus on two bills that harm EBSA's ability to do its job.

Last year, Committee Republicans opposed the Department of Labor's legally permissible yet rarely used "common interest agreements" in litigation. I say rare because – as Mr. Khawar notes in his testimony – over the past 15 years, there were only twelve such agreements. Let me repeat that – over fifteen years, twelve such agreements out of over 31,000 investigations. Nevertheless, Committee Republicans demanded that the Department's Inspector General (IG) look into these rare agreements, and the IG agreed. Rather than waiting for the results of the IG investigation they requested, Committee Republicans' request today in this hearing is rushing

to judgment and seemingly intent on advancing a one-sided bill that goes way beyond common interest agreements and severely limits EBSA's ability to communicate with attorneys representing participants. We all believe in efficiency, and we'd be happy to work with the majority to look at objective analysis of how we make the program more efficient for everyone, particularly employees.

The other bill relates to EBSA's enforcement activities. We all share an interest in seeing that enforcement by the federal agencies is completed in a timely, and as I said, efficient manner. That's in the best interest of all parties involved. It should be bipartisan. If that's our shared goal, then the best way to achieve it is to ensure EBSA has the funding, resources, and personnel necessary to do its job and to wait for the IG's investigation. What doesn't accomplish that goal is a bill to add to EBSA's administrative burden and require them to produce a biased report that doesn't provide a complete picture of the agency's work.

These bills don't solve problems. They create new ones and strike at the heart of EBSA's mission.

As we've seen from the devastation wrought in recent months by the so-called Department of Government Efficiency (DOGE) and the catastrophic "One Big, Ugly Law," which will leave 10 million Americans without health insurance and cut over \$1 trillion from Medicaid, undermining core government functions does a disservice to the American people.

We can and should do better and are willing to work in a bipartisan way if we really want to improve oversight.

Thank you. I yield back.